

Alcohol and Tobacco Tax and Trade Bureau, Treasury

§ 19.956

plant size and bond amounts. The provisions of § 19.921 regarding change in type of plant are applicable to each proprietor. Entries into these records will be in the manner prescribed in §§ 19.982, 19.984, and 19.986.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1349, as amended, 1370, as amended (26 U.S.C. 5172, 5271; sec. 805(a), Pub. 96-39, 93 Stat. 275 (26 U.S.C. 5171); sec. 232 Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

PERMANENT DISCONTINUANCE OF BUSINESS

§ 19.945 Notice of permanent discontinuance.

A proprietor who permanently discontinues operations as an alcohol fuel plant shall, after completion of the operations, file a letterhead notice with the appropriate TTB officer. The notice shall be accompanied—

(a) By the alcohol fuel producer's permit, and by the proprietor's request that such permit be canceled;

(b) By a written statement disclosing, as applicable, whether (1) all spirits (including fuel alcohol) have been lawfully disposed of, and (2) any spirits are in transit to the premises; and

(c) By a report covering the discontinued operations (the report shall be marked "Final Report").

(Sec. 201, Pub. L. 85-859, 72 Stat. 1349, as amended, 1370, as amended (26 U.S.C. 5172, 5271); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

SUSPENSION OR REVOCATION OF PERMITS

§ 19.950 Suspension or revocation.

Whenever the appropriate TTB officer has reason to believe that any person holding an alcohol fuel producer's permit—

(a) Has not in good faith complied with the applicable provisions of 26 U.S.C. Chapter 51, or regulations issued thereunder; or

(b) Has violated conditions of the permit; or

(c) Has made any false statements as to any material fact in the application therefor; or

(d) Has failed to disclose any material information required to be furnished; or

(e) Has violated or conspired to violate any law of the United States relating to intoxicating liquor or has been convicted of any offense under Title 26, U.S.C. punishable as a felony or of any conspiracy to commit such offense; or

(f) Has not engaged in any of the operations authorized by the permit for a period of more than 2 years; the appropriate TTB officer may institute proceedings for the revocation or suspension of the permit in accordance with the procedures set forth in 27 CFR part 71.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1370, as amended (26 U.S.C. 5271))

BONDS

§ 19.955 Bonds.

An operations bond is required for medium and large plants. The bond will be executed, in duplicate, on Form 5110.56. Surety bonds may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary as set forth in the current revision of Treasury Department Circular 570. However, in lieu of corporate surety the proprietor may pledge and deposit as surety for his bond, securities which are transferable and are guaranteed as to both interest and principal by the United States, in accordance with the provisions of 31 CFR part 225. The appropriate TTB officer will not release such securities until liability under the bond for which they were pledged has been terminated.

(Sec. 805(c), Pub. L. 96-39, 93 Stat. 276 (26 U.S.C. 5173); CH. 390, Pub. L. 80-280, 61 Stat. 648, 650 (31 U.S.C. 9301, 9303, 9304, 9306); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.956 Amount of bond.

The penal sum of the bond is based on the total quantity of distilled spirits to be produced (including receipts) during a calendar year. If the level of production and/or receipts at the plant is to be increased, and the bond is not in the maximum penal sum, a new or strengthening bond shall be obtained.

(a) *Medium plants.* A medium plant which will produce (including receipts) between 10,000 and 20,000 proof gallons of spirits per year requires a bond in